

**Remarks by Ambassador James Costos**  
**Conference - Transatlantic Trade and Investment Partnership (TTIP) Agreement:**  
**Facts and Opportunities for Business in Europe and Spain**  
**Casa America**  
**Madrid, Spain**  
**June 2, 2014**

Good afternoon, Spanish and U.S. government dignitaries, business leaders, ladies, and gentlemen. I'd like to thank the organizers and sponsors of this conference, particularly AmCham, Casa America, CEOE, AmCham EU, the US Chamber of Commerce, and the Spanish government, for the invitation to speak to you today about TTIP. Congratulations on organizing this excellent event. It is an honor to share the stage with the Vice President.

You have already heard from my colleagues, Assistant Secretary Rivkin and Ambassador Gardener, today. They pointed out the potential benefits offered by a robust Transatlantic Trade and Investment Partnership for Europe and the United States. As U.S. Ambassador to Spain, I would like to briefly underscore a few facts about the U.S. – Spain relationship and how TTIP could benefit Spain specifically.

As several speakers earlier in the day noted, Spain would be a great beneficiary of TTIP because of its important relationship with the U.S. There are many Spanish companies already doing business with and investing in the U.S., including banks, energy, and construction companies. In fact, Spain is the ninth largest investor in the US, with \$52 billion in direct investment. Spain has significant potential in the automotive, food and beverage, and engineering sectors. The U.S. is also one of the largest investors in Spain, with \$31 billion, and this number is rapidly growing. U.S. companies employ more than 160,000 Spaniards, many in the automotive and chemical industries and more than a million American tourists visit Spain each year.

In terms of trade, last year Spain's exports to the U.S. reached \$12 billion. These exports, including goods and services such as industrial technology, chemicals, energy production equipment, construction equipment, and fashion, continue to grow. These links will deepen with TTIP, an agreement that will enable Spain to grow and create jobs without adding to the public deficit.

I would like to emphasize that jobs point...although Spain's economy has stabilized, and the country has officially emerged from recession, we know that there are still significant challenges that lie ahead in order to reduce unemployment, create jobs, and boost incomes. This is particularly true for Spain's youth.

Many of Spain's youth have responded to the economic crisis by looking for new ways to find jobs and build their own lives. Many are interested in the U.S. model of entrepreneurship, both for building businesses and creating civil society initiatives. That's why one of the U.S. government's top priorities — not just in Spain but around Europe and

across the world — is to promote youth entrepreneurship. We strongly believe that entrepreneurship can empower young people with a path out of unemployment.

In the words of Prince Felipe, "Entrepreneurship is synonymous with creativity and opportunity and ensures a clear path towards employment and wealth creation . . . and a better future for our country [Spain]." Entrepreneurship and the values that accompany it, he said, involve "the ability to take risks, to innovate and to contribute to the common good of society. These elements are essential for meeting the challenges of being competitive and progressing socially."

Successful business leaders and entrepreneurs need visibility so they can serve as role models to inspire younger generations of Spaniards to foster dynamism and creativity, he said.

"The world's most dynamic companies are those that are best able to cope with the challenges of the new global economy and those who know how to create an institutional environment and values that foster entrepreneurship." He concluded, "Entrepreneurship rests on three pillars: innovation, initiative and commitment. . . [and] "Spain's future depends upon developing a more entrepreneurial society."

Entrepreneurs indeed embody the promise of Spain — the belief that if you have a good idea and are willing to work hard to see it through, you can succeed.

But if they are constantly confronting unnecessary government regulations, Spain's entrepreneurs cannot fulfill that dream. In its May 27<sup>th</sup> report, the International Monetary Fund pointed out that around 2,700 regulations identified in Spain act as barriers to economic growth and job creation. The report noted that, "Lowering regulatory barriers that constrain Spain's businesses would help them become more efficient and increase employment," and the IMF urged "all levels of government to ensure that these [barriers] are quickly eliminated."

If intellectual property is not adequately protected, it is difficult for new businesses to grow. If international markets are not free and open, Spain's businesses cannot play a critical role in expanding the economy and creating jobs.

That is another reason why the U.S. government is actively negotiating the Transatlantic Trade and Investment Partnership with the European Union. TTIP offers an opportunity to increase the more than 13 million U.S. and European jobs already supported by transatlantic trade and investment. It stands to increase the power of entrepreneurship, but also to enable the small businesses that make up the core of Spain's business community to participate in exporting to the U.S. market. Many trade barriers on both sides of the Atlantic, particularly standards-related measures, limit SMEs' exports more than those of large exporters. While complying with standards, technical regulations, and conformity assessment procedures is costly for larger firms, it is potentially prohibitive for SMEs, because many costs are fixed regardless of a firm's size or revenue. Because of its

focus on eliminating unnecessary obstacles to trade, TTIP offers particular advantages to Spain's SMEs.

As the Global Director of Trade at the Dow Chemical Company recently said, "the world is a much more competitive place. And the American and European economies have been hit hard by recent recessions. We need a progressive, advanced effort to remove the barriers, inefficiencies and unnecessary costs that make our innovative companies less successful. We need to restart the transatlantic growth engine – not just to drive global growth, but to leverage our common values to set a sustainable path to competitiveness, employment, and innovation –. That common path should be based on sound science, common approaches to regulation, elimination of nuisance tariffs, bedrock commitments to protecting our investors, and 21st century principles impacting global trade and investment."

"Achieving [better regulatory cooperation] would help to reduce duplicate efforts, lead to lower costs, make better use of resources, and create higher output. Especially for small business, we need to make the approvals process more efficient and less costly. This will also support the work of the regulators, by allowing them to better manage high workloads with limited resources.

There's a lot to do but also a lot of value to gain – and we're convinced that regulatory cooperation is a goal absolutely worth achieving."

I am excited to be serving as Ambassador to Spain at this momentous time to witness the development of this historical agreement that will deepen the bonds that tie our two nations, and the EU and the US, together, not only on an economic, but also a political level. This important agreement will strengthen the shared leadership role of the U.S. and EU in world commerce and in setting global norms on labor, environment, investment, intellectual property rights protection, and other fundamental issues. Together we can build a brighter, more prosperous future.